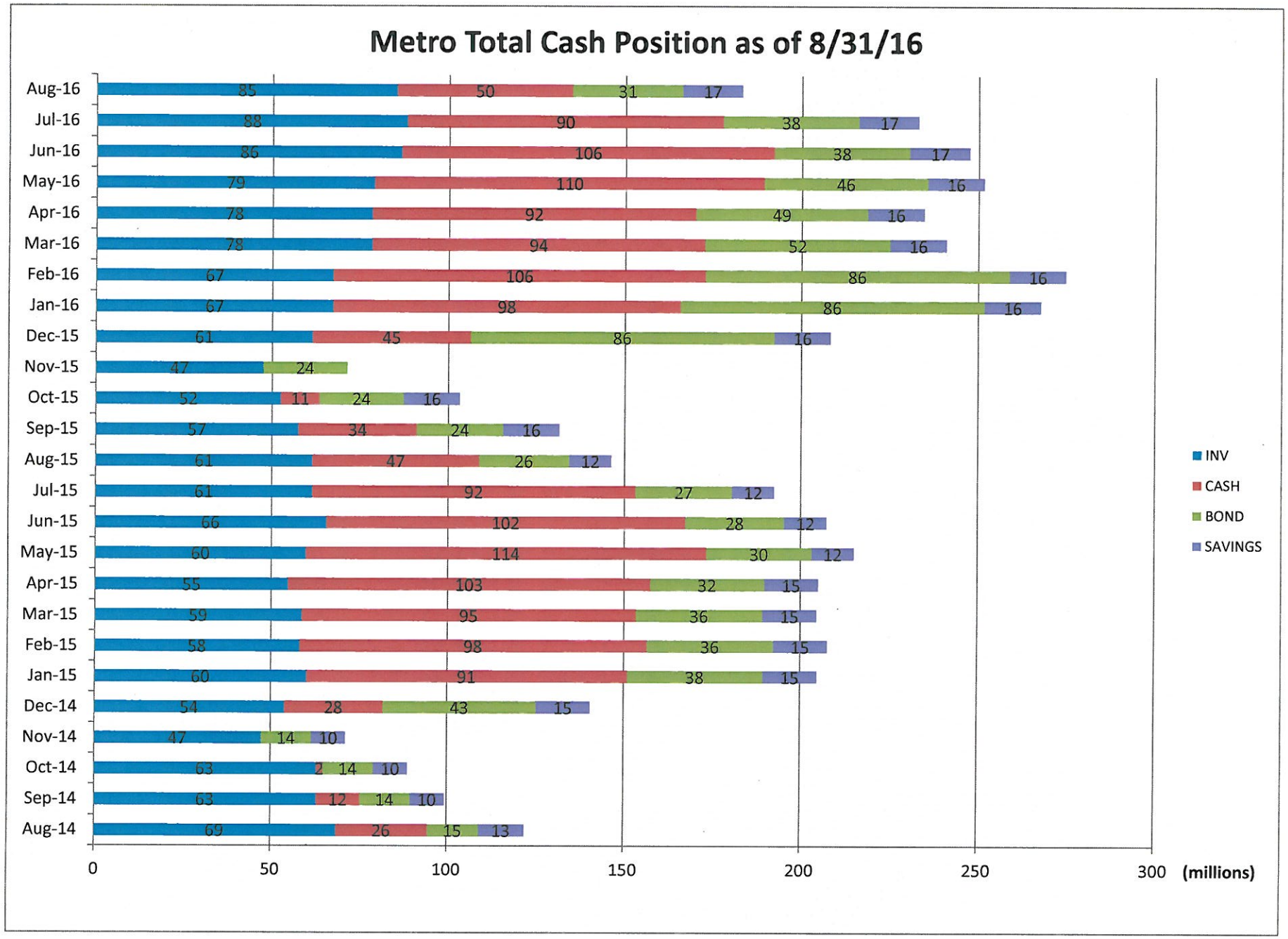
Louisville Metro Investment Council

Louisville METRO

September 14, 2016

PORTFOLIO COMPOSITION


Metro Total Cash Position as of 8/31/16
Aug-16 85 50 31 17
Jul-16 88 90 38 17
Jun-16 86 106 38 17
May-16 79 110 46 16
Apr-16 78 92 49 16
Mar-16 78 94 52 16
Feb-16 67 106 86 16
Jan-16 67 98 86 16
Dec-15 61 45 86 16
Nov-15 47 24
Oct-15 52 11 24 16
Sep-15 57 34 24 16
Aug-15 61 47 26 12
Jul-15 61 92 27 12
Jun-15 66 102 28 12
May-15 60 114 30 12
Apr-15 55 103 32 15
Mar-15 59 95 36 15
Feb-15 58 98 36 15
Jan-15 60 91 38 15
Dec-14 54 28 43 15
Nov-14 47 14 10
Oct-14 63 2 14 10
Sep-14 63 12 14 10
Aug-14 69 26 15 13
0
50
100
150
200
250
300
(millions)
INV
CASH
BOND
SAVINGS

Acc Int / Amort / Mkt Val

Lou / Jeff Cty Metro Finance

Effective Interest - Callable Life

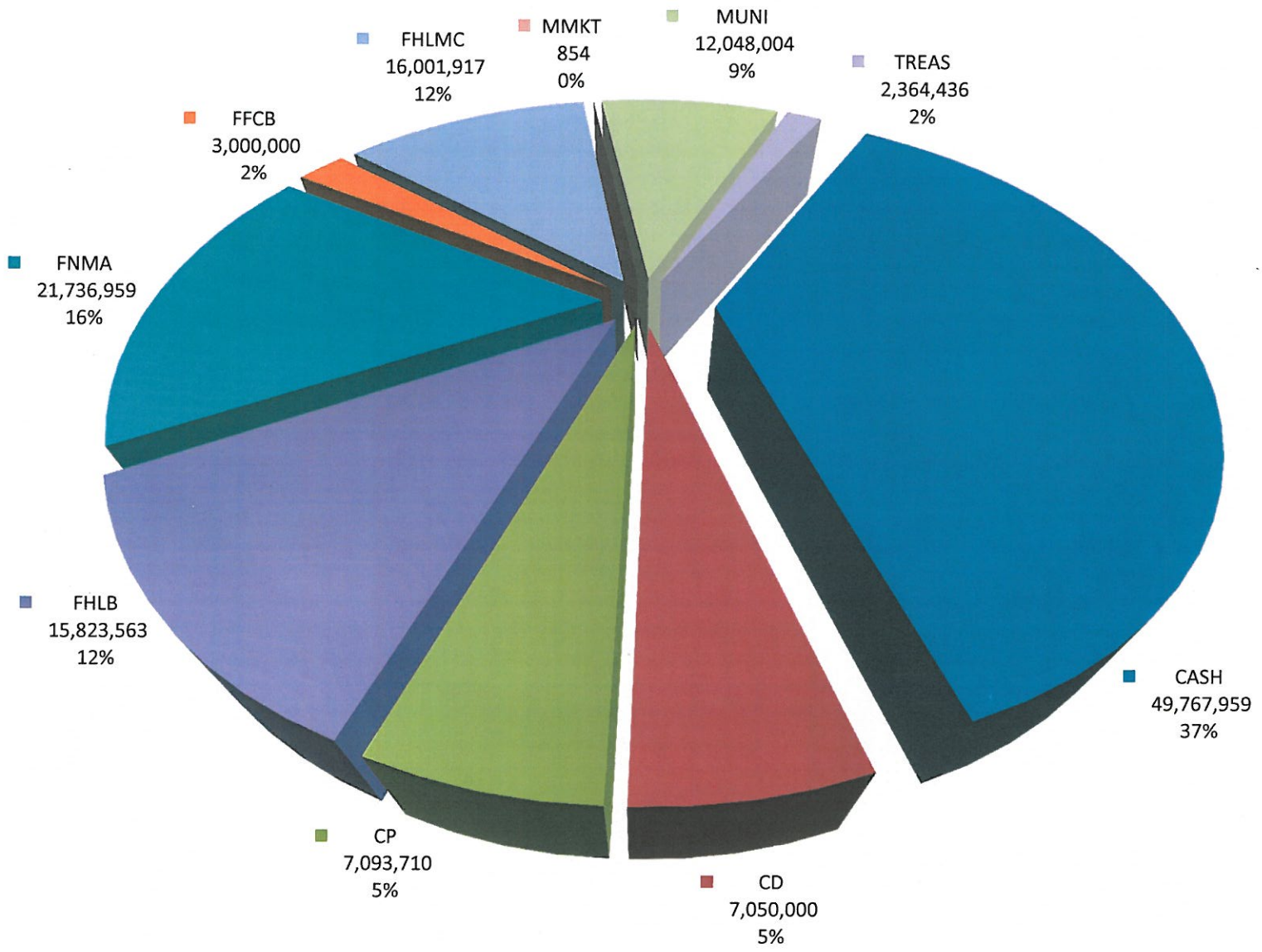
Receipts in Period

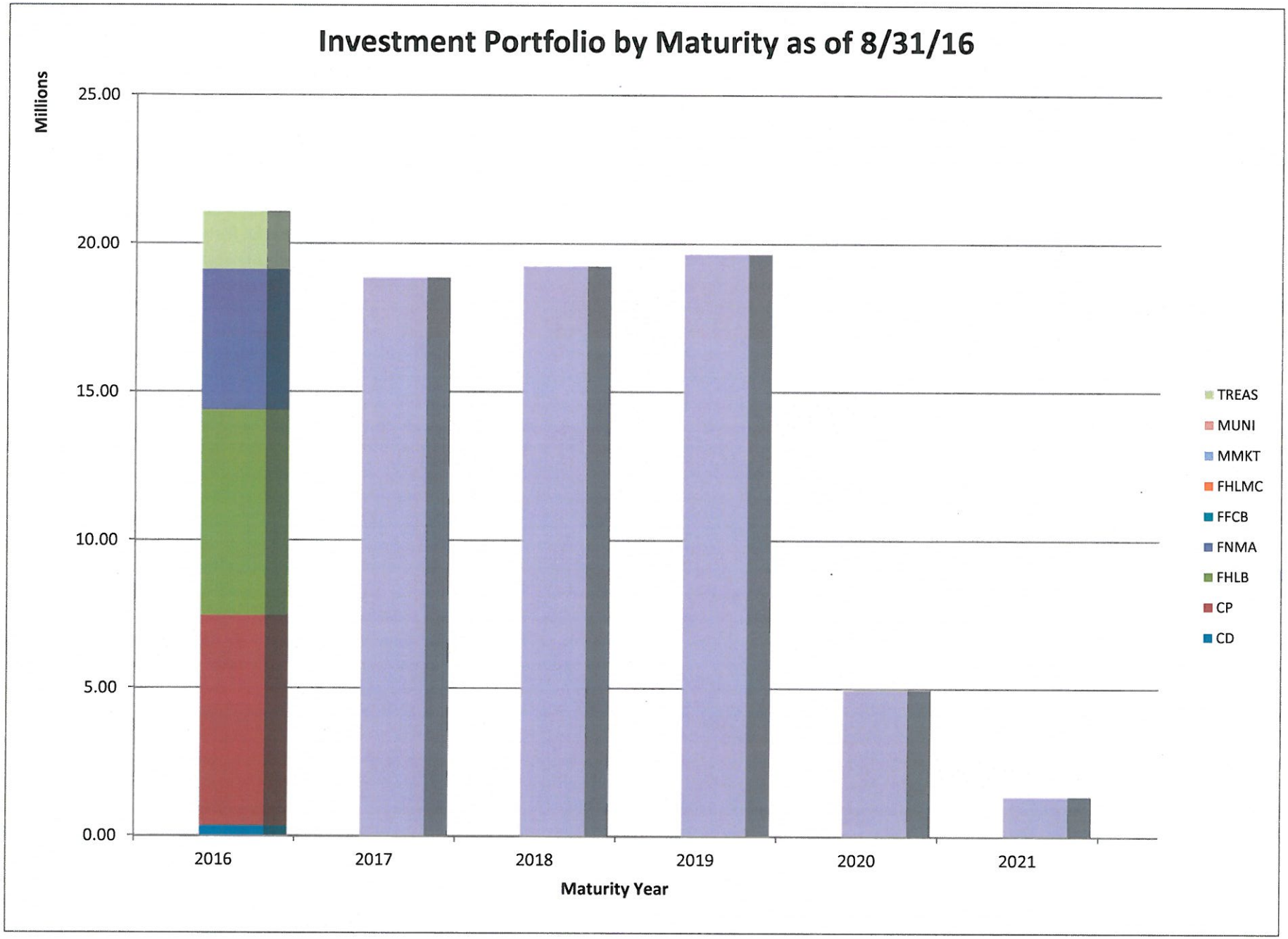
8/31/2016

	Invest Number	CUSIP	Security Description	Call Date	Purchase Date	Ending Par Val/Shares	Ending Amor Val/Cost	Ending Market Val	Amortization Purch/Date	PTD Purch Received	Int/Div Rec Purch/Date	Int/Div Accrued Purch/Date	Purch Int + Acc Int
1 - SHORT TERM	AR-0035	TARC OPS FED - 4537544	Cash Account	Open	04/02/03	3,347,165.00	3,347,165.00	3,347,165.00	0.00	0.00	0.00	0.00	0.00
	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	1,500,279.60	1,500,279.60	1,500,279.60	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	29,951,290.64	29,951,290.64	29,951,290.64	0.00	0.00	592,528.99	0.00	0.00
	AR-0047	LAGIT 53 - 714868674	Cash Account	Open	10/01/08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AR-0049	REVCOM 53- 7141868757	Cash Account	Open	11/01/08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	AR-0052	METRO CHASE SAV 2950930897	Cash Account	Open	09/22/10	12,908,852.77	12,908,852.77	12,908,852.77	0.00	0.00	351,105.16	0.00	0.00
	AR-0053	REVCOM CHASE SAV 2950930772	Cash Account	Open	09/14/10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Cash Total					**47,707,588.01**	**47,707,588.01**	**47,707,588.01**	**0.00**	**0.00**	**943,634.15**	**0.00**	**0.00**
	16-0004	CD0772	METRO 0.45 10/07/16	Open	10/07/15	100,000.00	100,000.00	100,000.00	0.00	0.00	376.04	30.00	30.00
	16-0020	CD1499	YCB 0.17 12/23/16	Open	01/23/16	250,000.00	250,000.00	250,000.00	0.00	0.00	211.92	46.04	46.04
	16-0040	CD423	METRO 0.50 05/07/17	Open	05/10/16	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	1,260.28	333.33	333.33
	16-0047	CD864	COMM 0.60 05/16/17	Open	05/16/16	200,000.00	200,000.00	200,000.00	0.00	0.00	302.46	50.00	50.00
	16-0057	CD075	METRO 0.50 06/07/17	Open	06/07/16	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	835.62	333.33	333.33
	17-0007	CD0695	COMM 0.60 07/09/17	Open	07/09/16	4,500,000.00	4,500,000.00	4,500,000.00	0.00	0.00	2,293.38	1,650.00	1,650.00
	Certificate of Deposit Total					**7,050,000.00**	**7,050,000.00**	**7,050,000.00**	**0.00**	**0.00**	**5,279.70**	**2,442.70**	**2,442.70**
	17-0008	37362HLM6	GEORGIA TRANS CORP CP 0.00 11/21/16	Open	07/25/16	4,100,000.00	4,094,276.76	4,097,481.08	2,679.48	0.00	0.00	0.00	0.00
	17-0014	29380BJ96	ENTERPRISE PRODUCTS 0.00 09/09/16	Open	08/04/16	3,000,000.00	2,999,432.96	2,999,718.21	1,982.96	0.00	0.00	0.00	0.00
	Commercial Paper Total					**7,100,000.00**	**7,093,709.72**	**7,097,199.29**	**4,662.44**	**0.00**	**0.00**	**0.00**	**0.00**
	16-0005	3130A2T97	FHLB 0.50 09/28/16	Open	12/08/15	2,000,000.00	1,999,759.73	2,000,280.00	2,339.73	1,944.44	5,000.00	4,250.00	6,194.44
	16-0006	3130A3J70	FHLB 0.625 11/23/16	Open	12/08/15	2,000,000.00	1,999,519.29	2,001,140.00	1,539.29	520.83	6,250.00	3,402.78	3,923.61
	16-0013	3130A3J70	FHLB 0.625 11/23/16	Open	01/11/16	2,940,000.00	2,939,087.85	2,941,675.80	2,557.05	2,450.00	9,187.50	5,002.08	7,452.08
	FHLB Total					**6,940,000.00**	**6,938,366.87**	**6,943,095.80**	**6,436.07**	**4,915.27**	**20,437.50**	**12,654.86**	**17,570.13**
	12-0018	3135G0GY3	FNMA 1.25 01/30/17	Open	06/17/16	5,000,000.00	5,005,044.12	5,015,700.00	-7,112.54	0.00	31,250.00	5,381.94	29,166.66
	15-0013	3135G0CM3	FNMA 1.25 09/28/16	Open	12/07/15	2,500,000.00	2,501,246.57	2,501,675.00	-15,350.20	0.00	15,625.00	13,281.25	19,270.83
	15-0015	3136FPNA1	FNMA 2.25 10/12/16	Open	12/07/15	1,300,000.00	1,302,519.78	1,302,938.00	-19,575.18	0.00	14,625.00	11,293.75	15,762.50
	16-0015	3135G0CM3	FNMA 1.25 09/28/16	Open	01/11/16	925,000.00	925,372.74	925,619.75	-3,170.01	3,308.16	5,781.25	4,914.06	8,222.22
	16-0024	3135G0PP2	FNMA 1.00 09/20/17	Open	03/11/16	3,000,000.00	3,003,134.69	3,009,780.00	-1,395.31	14,250.00	15,000.00	13,416.67	27,666.67
	FNMA Total					**12,725,000.00**	**12,737,317.90**	**12,755,712.75**	**-46,603.24**	**17,558.16**	**82,281.25**	**48,287.67**	**100,088.88**
	AR-0001	MMKT FED - 5000638	Money Market	Open	07/01/99	158.35	158.35	158.35	0.00	0.00	1,652,552.68	0.05	0.05
	AR-0006	TARC FED - 4485281	Money Market	Open	07/01/99	1.22	1.22	1.22	0.00	0.00	30.61	0.00	0.00
	AR-0025	MMKT JPM - 468885	Money Market	Open	09/19/02	0.01	0.01	0.01	0.00	0.00	1,291,491.06	0.00	0.00
	Money Market Total					**159.58**	**159.58**	**159.58**	**0.00**	**0.00**	**2,944,074.35**	**0.05**	**0.05**
	16-0054	49130TNY8	KY HSG CORP 1.879 01/01/17	Open	06/01/16	1,290,000.00	1,295,737.56	1,294,192.50	-4,298.64	10,099.63	12,119.55	4,039.85	14,139.48
	Municipal Bond Total					**1,290,000.00**	**1,295,737.56**	**1,294,192.50**	**-4,298.64**	**10,099.63**	**12,119.55**	**4,039.85**	**14,139.48**
	16-0014	912828WA4	Treasury Note 0.625 10/15/16	Open	01/11/16	1,975,000.00	1,974,951.51	1,975,809.75	260.10	2,967.90	6,171.88	4,687.93	7,655.83
	Treasury Note Total					**1,975,000.00**	**1,974,951.51**	**1,975,809.75**	**260.10**	**2,967.90**	**6,171.88**	**4,687.93**	**7,655.83**
	1 - SHORT TERM Total					**84,787,747.59**	**84,797,831.15**	**84,823,757.68**	**-39,543.27**	**35,540.96**	**4,013,998.38**	**72,113.06**	**141,897.07**
2 - CORE	AR-0043	INV CLEAR JPM - 707637716	Cash Account	Open	07/01/06	2,060,361.61	2,060,361.61	2,060,361.61	0.00	0.00	0.00	0.00	0.00
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	0.00	0.00	0.00	0.00	0.00	456.08	0.00	0.00
	AR-0052	METRO CHASE SAV 2950930897	Cash Account	Open	09/22/10	9.44	9.44	9.44	0.00	0.00	19,491.33	0.00	0.00
	Cash Total					**2,060,371.05**	**2,060,371.05**	**2,060,371.05**	**0.00**	**0.00**	**19,947.41**	**0.00**	**0.00**
	17-0010	3133EGNK7	FFCB 1.32 07/27/20	07/27/17	07/27/16	3,000,000.00	3,000,000.00	2,988,480.00	0.00	0.00	0.00	3,740.00	3,740.00
	FFCB Total					**3,000,000.00**	**3,000,000.00**	**2,988,480.00**	**0.00**	**0.00**	**0.00**	**3,740.00**	**3,740.00**
	16-0062	3130A4KJ0	FHLB 1.375 09/26/18	09/26/16	06/20/16	2,000,000.00	2,001,072.92	2,001,000.00	-3,047.08	0.00	0.00	5,423.61	11,840.28
	16-0063	313383EP2	FHLB 1.25 06/20/18	09/20/16	06/20/16	2,975,776.00	2,977,032.44	2,976,579.46	-4,695.11	0.00	0.00	7,336.11	7,336.11
	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	06/30/17	06/30/16	2,900,000.00	2,900,000.00	2,897,999.00	0.00	0.00	0.00	5,994.94	5,994.94
	17-0005	3130A0HY9	FHLB 1.25 12/26/17	Open	07/20/16	1,000,000.00	1,007,090.58	1,005,390.00	-609.42	0.00	0.00	1,423.61	2,256.94
	FHLB Total					**8,875,776.00**	**8,885,195.94**	**8,880,968.46**	**-8,351.61**	**0.00**	**0.00**	**20,178.27**	**27,428.27**
	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	08/26/16	05/26/16	1,500,000.00	1,500,000.00	1,500,420.00	525.00	0.00	0.00	5,343.75	5,343.75
	16-0052	3134G9KW6	FHLMC 1.35 11/26/19	08/26/16	05/26/16	2,000,000.00	2,000,000.00	1,995,880.00	2,200.00	0.00	0.00	7,125.00	7,125.00
	16-0053	3134G9NL7	FHLMC 1.18 05/31/19	05/24/17	05/31/16	2,000,000.00	2,000,000.00	2,001,820.00	0.00	0.00	0.00	5,900.00	5,900.00
	16-0059	3134G9NE3	FHLMC 1.20 06/14/19	06/14/17	06/14/16	2,000,000.00	2,000,000.00	2,000,320.00	0.00	0.00	0.00	5,133.33	5,133.33
	16-0066	3134G9XB8	FHLMC 1.00 12/28/18	12/28/16	06/28/16	2,000,000.00	1,999,675.00	1,995,160.00	175.00	0.00	0.00	3,500.00	3,500.00
	16-0068	3134G9VS3	FHLMC 1.00 12/28/18	12/28/16	06/28/16	1,000,000.00	1,000,000.00	1,000,080.00	0.00	0.00	0.00	1,750.00	1,750.00
	16-0070	3134G9WJ2	FHLMC 1.20 09/30/19	09/30/16	06/30/16	1,000,000.00	1,000,000.00	999,770.00	0.00	0.00	0.00	4,066.67	4,066.67
	16-0072	3134G9YA9	FHLMC 1.01 09/28/18	12/28/16	06/30/16	2,000,000.00	2,000,000.00	1,995,120.00	0.00	0.00	0.00	3,422.78	3,478.89
	17-0006	3134G45U8	FHLMC 0.85 12/12/17	Open	07/20/16	1,000,000.00	1,002,241.63	1,000,610.00	-198.37	0.00	0.00	968.06	1,865.28

17-0016	3134G9W37	FHLMC 1.45 08/10/20	11/10/16	08/10/16	1,500,000.00	1,500,000.00	1,495,500.00	0.00	0.00	0.00	1,268.75	1,268.75
FHLMC Total					**16,000,000.00**	**16,001,916.63**	**15,984,680.00**	**2,701.63**	**0.00**	**0.00**	**38,478.34**	**39,431.67**
15-0027	3136G2GU5	FNMA 1.125 04/30/18	10/30/15	04/30/15	2,000,000.00	2,000,000.00	2,000,780.00	0.00	0.00	22,500.00	7,562.50	7,562.50
16-0046	3135G0J95	FNMA 1.35 10/28/19	10/28/16	05/19/16	1,000,000.00	999,641.51	1,000,020.00	641.51	0.00	0.00	3,825.00	4,612.50
16-0048	3136G3MQ5	FNMA 1.30 11/25/19	11/25/16	05/25/16	2,000,000.00	2,000,000.00	2,000,860.00	0.00	0.00	0.00	6,933.33	6,933.33
16-0067	3136G3TR6	FNMA 1.05 06/28/19	06/28/17	06/28/16	2,000,000.00	2,000,000.00	1,994,100.00	0.00	0.00	0.00	3,675.00	3,675.00
17-0011	3136G3L37	FNMA 1.125 10/28/19	07/28/17	07/28/16	2,000,000.00	2,000,000.00	1,992,480.00	0.00	0.00	0.00	4,125.00	4,125.00
FNMA Total					**9,000,000.00**	**8,999,641.51**	**8,988,240.00**	**641.51**	**0.00**	**22,500.00**	**26,120.83**	**26,908.33**
AR-0006	TARC FED - 4485281	Money Market	Open	07/01/99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AR-0025	MMKT JPM - 468885	Money Market	Open	09/19/02	693.94	693.94	693.94	0.00	0.00	47,669.93	0.26	0.26
Money Market Total					**693.94**	**693.94**	**693.94**	**0.00**	**0.00**	**47,669.93**	**0.26**	**0.26**
13-0025	76221RTS2	RHODE ISLAND 1.551 10/01/17	Open	02/25/13	825,000.00	826,335.22	825,660.00	-4,192.28	177.72	39,844.54	5,331.56	5,509.28
15-0010	20772JWV0	CONN ST-A-TXBL 1.60 09/01/18	Open	09/19/14	4,630,000.00	4,621,548.16	4,662,595.20	7,984.66	3,704.00	111,220.07	37,040.00	41,361.33
15-0023	468714EA4	JACEDU 1.693 03/01/18	Open	02/26/15	1,000,000.00	1,002,834.18	1,010,690.00	-2,795.82	0.00	17,682.38	8,465.00	8,465.00
15-0025	581760AC9	MCLAREN CNTY MI 1.964 05/15/18	Open	04/02/15	730,000.00	735,642.72	732,306.80	-4,577.28	0.00	16,129.35	4,221.51	4,301.16
15-0045	613357AF9	MONTG CO 2.44 11/01/19	Open	06/25/15	500,000.00	509,750.18	519,800.00	-3,499.82	1,830.00	12,200.00	4,066.67	5,896.67
16-0007	650035J58	NY URBAN DEV TXBL 1.65 03/15/18	Open	12/08/15	500,000.00	501,890.16	505,180.00	-879.84	1,902.08	4,125.00	3,804.17	5,706.25
16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,358,031.91	1,356,426.00	-324.59	4,999.58	6,337.49	1,901.25	5,830.50
17-0004	047681NZ0	ATLANTA ETC REC 2.41 12/01/19	Open	07/22/16	720,000.00	744,181.89	742,456.80	-787.71	0.00	0.00	1,879.80	4,338.00
17-0012	555542LS6	MACON-BIBB CNTY GA 3.00 12/01/20	Open	08/01/16	425,000.00	452,051.76	450,347.00	-513.74	0.00	0.00	1,062.50	3,187.50
Municipal Bond Total					**10,680,000.00**	**10,752,266.18**	**10,805,461.80**	**-9,586.42**	**12,613.38**	**207,538.83**	**67,772.46**	**84,595.69**
14-0020	912828VK3	Treasury Note 1.375 06/30/18	Open	04/29/14	390,000.00	389,484.88	394,036.50	642.69	1,762.81	13,406.25	918.04	2,680.85
Treasury Note Total					**390,000.00**	**389,484.88**	**394,036.50**	**642.69**	**1,762.81**	**13,406.25**	**918.04**	**2,680.85**
2 - CORE Total					**50,006,840.99**	**50,089,570.13**	**50,102,931.75**	**-13,952.20**	**14,376.19**	**311,062.42**	**157,208.20**	**184,785.07**

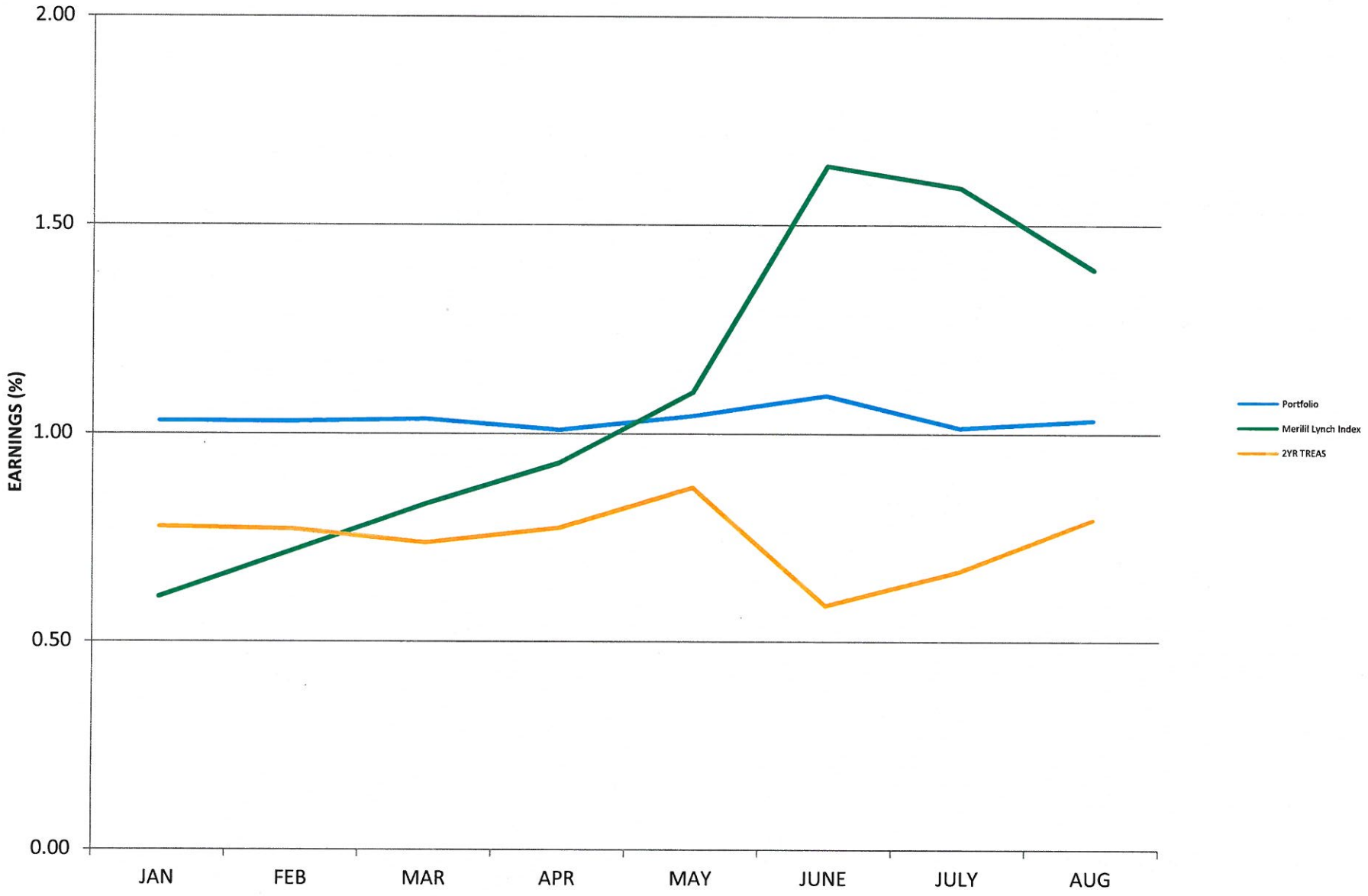
Total Portfolio Asset Allocation as of 8/31/2016




Investment Portfolio by Maturity as of 8/31/16
Millions
25.00
20.00
15.00
10.00
5.00
0.00
2016
2017
2018
2019
2020
2021
Maturity Year
TREAS
MUNI
MMKT
FHLMC
FFCB
FNMA
FHLB
CP
CD

PORTFOLIO PERFORMANCE

Portfolio Performance as of 08/31/16



ECONOMIC UPDATE

ECONOMIC UPDATE

Most of the talk over the last month has been centered on the upcoming election. The results of the November election could impact the direction of the economy in the coming years. You have two very different candidates; one expected to maintain the status quo which could lower overall market volatility, and the other whom would likely bring transformative policies and market uncertainty.

Along with the presidential race, the House of Representatives and Senate races will also play a part. At this time, it is widely believed that the Republicans will retain control of the House and lose control of the Senate. While the election is still nearly 2 months away (an eternity in politics), it is possible that you could see one party control. Although this scenario is unlikely, were it to occur, it could be disastrous for the Treasury market since it increases the risk of spending in turn increasing the deficit, interest rates, and inflation.

The most likely scenario being predicted is a Clinton win and a divided government (a republican house and democratic senate). This scenario would be viewed as the status quo keeping market volatility low with long term 30-year yields increasing around 10-15 bps. Shorter term yields would be expected to remain the same.

Shifting gears to Fed news; Federal Reserve Chair Janet Yellen has stated that the case to raise interest rates is getting stronger and that the economy is "nearing" the Fed's goals of full employment and stable prices. She did not go into the timing of the rate hike but did suggest that it could be another 25 bps hike. Economic growth is expected to be moderate and over the next few years the labor market is expected to strengthen and inflation to rising to 2%. The Fed anticipates that "gradual" increases to rates will be appropriate over time to sustain employment and inflation near their objectives.

There is a segment of the market that believes a rate hike could occur in September 2016. However, the most likely scenario would be a rate hike in late 2016/early 2017. Fed fund probabilities are posted below for reference.

99) Export Data | World Interest Rate Probability

United States | Instrument Futures: Fed Funds | FED Effective Rate 0.40

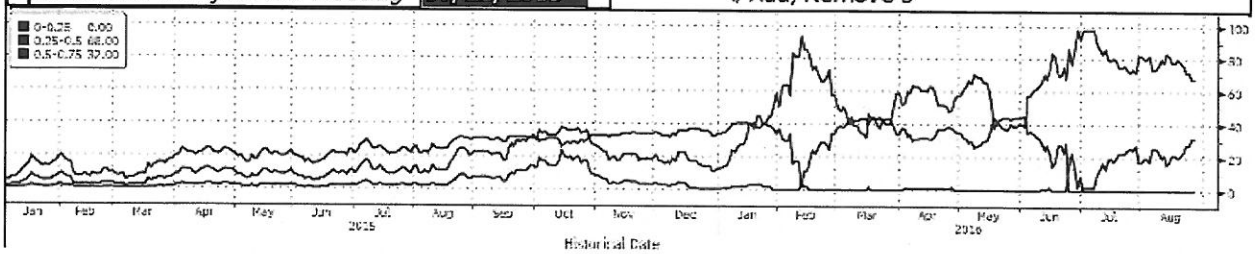
1) Overview 2) Future Implied Probability

Current Implied Probabilities | 3) Add/Remove R

Dates ◉ Meeting ○ Calculation | Calculated 08/26/2016 | Based on rate 0.25-0.50

Meeting	Prob Of Hike	Prob of Cut	0-0.25	0.25-0.5	0.5-0.75	0.75-1	1-1.25	1.25-1.5	1.5-1.75
09/21/2016	32.0%	0.0%	0.0%	68.0%	32.0%	0.0%	0.0%	0.0%	0.0%
11/02/2016	37.8%	0.0%	0.0%	62.2%	35.1%	2.7%	0.0%	0.0%	0.0%
12/14/2016	58.6%	0.0%	0.0%	41.4%	44.1%	13.6%	0.9%	0.0%	0.0%
02/01/2017	61.2%	0.0%	0.0%	38.8%	44.0%	15.5%	1.7%	0.1%	0.0%
03/15/2017	65.8%	0.0%	0.0%	34.2%	43.4%	18.8%	3.3%	0.3%	0.0%
05/03/2017	67.3%	0.0%	0.0%	32.7%	43.0%	19.9%	4.0%	0.4%	0.0%
06/14/2017	73.1%	0.0%	0.0%	26.9%	41.1%	24.0%	6.9%	1.0%	0.1%
07/26/2017	72.2%	0.6%	0.6%	27.2%	40.7%	23.6%	6.7%	1.0%	0.1%
09/20/2017	73.8%	0.6%	0.6%	25.6%	39.9%	24.7%	7.7%	1.4%	0.1%
11/01/2017	73.8%	0.6%	0.6%	25.6%	39.9%	24.7%	7.7%	1.4%	0.1%

Historical Analysis for Meeting 09/21/2016 | 4) Add/Remove S



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Total Portfolio Shock Table

Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

8/31/2016

Data Category	Down 300	Down 200	Down 100	Current	Up 100	Up 200	Up 300
Current Par	85,025,776.00	85,025,776.00	85,025,776.00	85,025,776.00	85,025,776.00	85,025,776.00	85,025,776.00
Amor. Cost	85,122,178.63	85,122,178.63	85,122,178.63	85,122,178.63	85,122,178.63	85,122,178.63	85,122,178.63
Market Value	84,902,799.52	84,987,825.30	85,072,851.07	85,157,876.85	85,242,902.63	85,327,928.40	85,412,954.18
% Change	-0.30 (0.10)	-0.20 (0.10)	-0.10 (0.10)	0.00 (0.10)	0.10 (0.10)	0.20 (0.10)	0.30 (0.10)
Market Price	99.86	99.96	100.06	100.16	100.26	100.36	100.46
Market Yield	1.953	1.6004	1.2484	0.8972	0.5466	0.1967	-0.1525
Gain / Loss	-219,379.11	-134,353.33	-49,327.56	35,698.22	120,724.00	205,749.77	290,775.55

The table above represents the interest rate risk of the investment portfolio of individual fixed incomesecurities. By adjusting current market rates and by using the matrix pricing technique, the portfolio wassubjected to an immediate interest rate shock of plus or minus 300 basis points. The results in weightedaverage total is presented above which details the projected market value, market price, total unrealizedgain (loss) and percentage market value change from the current interest rate environment.